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SIPDIS

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SUBJECT: Kunduz, Afghanistan: A Regional Hub for Security and Economic Growth

¶1. (SBU) Summary: In 2007, Kunduz province has made demonstrable progress along all lines of operations (security, development and governance) and served as a regional catalyst for Northeast Afghanistan. There is both visible reconstruction activity and private sector development, symbolized by the new Afghan-Tajik Bridge. The local population remains overwhelming supportive of the GoIRA and International Security Assistance Force (ISAF), although there has been an increase in the number of insurgent suicide, rocket and IED attacks. Provincial government officials engage with their constituents, and line ministries and municipalities deliver basic services. In 2008, the USG will look to build upon last year's significant increase in personnel, programmatic and financial resources to continue to support reconstruction and security activity in the province and beyond. End Summary.

Security - Population Supportive and ANSF Responsive

¶2. (SBU) The local population continues to support the GoIRA and ISAF, although there has been a quantitative increase in the number of insurgent suicide, rocket and IED attacks. In 2007, there were seven suicide attacks in the province, including the May 2007 attack in Kunduz city that killed three German soldiers, as compared with the one event in 2006. The insurgent's focus on suicide attacks has impacted the German-led Provincial Reconstruction Team's (PRT) ability to conduct dismounted patrols and vehicle movements in Kunduz city. Both ISAF and ANSF are resolved to confront this threat and have focused their efforts on joint operations, planning and intelligence sharing. The relocation of the Joint Provincial Coordination Center in a new purpose-built building and commitment by the line ministries should ensure that it becomes operational in early 2008.

¶3. (SBU) Kunduz remains the security hub, and correspondingly the insurgent target, for northeast Afghanistan. The RTC Kunduz is playing an integral role in the roll-out of CSTC-A's Focused District Development program, indeed one of the first districts selected was in the province (Chahar Dara). The greatest threat to ISAF and USG assets in Kunduz, particularly on the plateau, is insurgent rocket activity. The German-led PRT has taken pro-active steps, within their rules of engagement, to neutralize this threat including supplementing aerial and personnel reconnaissance assets.

¶4. (U) Both the Afghan provincial government and ISAF recognize

that the population's support is crucial to security efforts in the province. The governor, district administrators, and provincial and district police chiefs engage regularly with local officials, elders and religious figures to enlist their support. The PRT has emphasized the contributions of the international community and aligned development projects with security initiatives.

From Quick Impact Projects to Private
Sector Development

15. (U) The opening of the \$37 million Afghan-Tajik Bridge in October 2007 inaugurated a new regional trade route, slashed transportation costs and spurred private sector development. New construction abounds on the arteries of the city (new rice factory and gas stations), within the city itself (commercial buildings, marketplace) and once again in the new housing development "Sar-e-Dawra". While large infrastructure projects remain (hydroelectric in Khanabad, water systems, district connector roads), donor attention is increasingly focusing on efforts to assist private sector development. USG efforts to strengthen associations (re-establishment of Kunduz' carpet association), facilitate trade (first Afghan-Tajik trade fair) and extend credit (small and medium enterprise loan program) are paying dividends and could be expanded. One of the best signs of stability and a positive business climate is that business owners are prepared to resume investment in their businesses, whether through the mayor's mandated, but un-funded, program to resurface sidewalks or through microfinance and SME loans.

16. (SBU) The Afghan National Development Strategy held sub-national consultations this summer in the province and sectoral working groups have submitted their prioritized lists to Kabul. The

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German-funded and -administered Provincial Development Fund (PDF) has successfully supported small development projects and promoted good governance. It is only through the PDF that the Provincial Council has any budgetary approval role in development. NGO's continue to operate from the province, although one German NGO resettled from Kunduz to Takhar citing a decrease in overall security.

Good Faith Effort to Deliver Essential Services

17. (SBU) As in other provinces, Kunduz provincial officials are keen to be seen as fulfilling their government mandates. Despite the lack of personnel and resources, electricity flows (when released by Tajikistan), schools and hospitals function and streets are cleaned. The new Kunduz mayor, armed with both a vision and a budget, has made a tangible difference - for the better - in the lives of the townspeople. Directors of line ministries are disposed to cooperating with the international community. In 2007 the USG supported the rule of law in Kunduz through the establishment of a Justice Sector Support Program (JSSP) regional office, hosting of a Provincial Justice Conference and launch of police-prosecutor training. Judicial corruption remains of great concern as it distorts the population's willingness to co-operate with the ANSF.

18. (SBU) Governor Omar, in office since March 2004, has remained the province's leading political personality. He is predisposed to cooperating with the international community on development and security; however, he is unlikely to reform the system. Recently, he has shown an effort to improve governance and the coordination of the line ministries. In his first year in office, Provincial Chief of Police Salangi has attacked corruption in passport issuance and helped direct international assistance to priority projects, while at the same time repelling insurgent night attacks on checkpoints and neutralizing suicide attackers. Relishing the fight, but loathing the administrative work, he commands respect through his personal authority and physical stature. The Provincial Council continues to search for a role, currently involved in the developmental planning process and through the PDF, project allocation.

Increased International Presence

¶9. (SBU) International donor activity increased significantly in 2007 in Kunduz. The U.S. Army began its police mentoring program, JSSP lawyers arrived to train police-prosecutors and the U.S. Army Corps of Engineers shifted its attention and office from the bridge at Sher Khan Bandar to Kunduz and police and army construction in the surrounding provinces. The German PRT launched the Provincial Development Fund, began mentoring the ANA and welcomed the EU's police mission. Currently, USAID is considering placing a Field Program Officer in Kunduz to better tap into national and local programs, such as the Local Governance and Community Development Program that plans to begin its activities in 2008 in the province.

¶10. (SBU) Comment: Kunduz has made forward progress in all lines of operation. While insurgents have adopted tactics new to Kunduz (rocket and suicide attacks), ANSF and ISAF are working with the local population to improve security. Private sector activity has been spawned by the opening of the new bridge. To further strengthen these positive developments, the international community should support private sector development, strengthen judicial institutions and devote public diplomacy assets to cover this positive story. End Comment.
WOOD